

**Not for release to US wire services or distribution in the United States**

---

## **Firefinch Successfully Completes A\$100m Institutional Placement**

---

- **Significantly oversubscribed placement represents a strong endorsement of Firefinch's corporate strategy and the underlying quality of the company's two world class assets**
  - **Firefinch is now fully funded to execute its aggressive growth plans at Morila, including increasing gold production to over 100,000 ounces in 2022 and to over 200,000 ounces of gold in 2024<sup>1</sup>**
  - **Funding certainty also allows for an acceleration of exploration at Goulamina, confirmed to be among the world's largest lithium projects, ahead of the proposed demerger in early 2022**
  - **Strong demand from numerous high quality offshore and domestic resources funds, with significant support shown from both existing and new investors**
  - **Upon completion of the Placement, Firefinch will have pro-forma cash reserves of ~A\$164 million (before costs)**
  - **Firm commitments received for A\$100 million at an offer price of A\$0.67 per share representing a 11.3% discount to the last closing price and an 8.0% discount to the prevailing 10-day VWAP**
- 

Firefinch Limited (ASX: FFX) (Firefinch or the Company) is pleased to announce it has received firm commitments from new and existing investors to raise A\$100 million (before costs) through a placement (Placement) of fully paid ordinary shares (New Shares). The Placement attracted strong support from existing shareholders and new investors, and will result in numerous high-quality, long-only offshore and domestic institutions joining the Firefinch register.

The Placement represents a proactive corporate initiative to provide funding certainty for the Company's growth plans at Morila and Goulamina, and remove reliance on debt funding. Firefinch now has a significant capital base from which to accelerate development of its two world class businesses.

Proceeds from the Placement will be used to fast track the production growth at the Morila Gold Mine (Morila) to more than 100,000 ounces of gold in 2022 and ultimately over 200,000 ounces of gold in 2024<sup>2</sup>, accelerate exploration – both regionally and for resource and reserve development, facilitate the proposed demerger of the Goulamina Lithium Project (Goulamina) into a separate ASX-listed company and maintain Firefinch's pro-rata interest in Leo Lithium post the demerger.

### **Firefinch Managing Director, Michael Anderson, commented:**

*"The overwhelming demand from both offshore and domestic institutions for this equity raising is a strong endorsement of our corporate strategy and testament to the underlying quality of Firefinch's Morila and Goulamina Projects. We thank our existing shareholders for their ongoing support and welcome many new high-quality institutions to our register."*

---

<sup>1</sup> Refer ASX announcement "New Life of Mine Plan for the Morila Gold Mine" (5<sup>th</sup> May 2021) for further information.

<sup>2</sup> Refer ASX announcement "New Life of Mine Plan for the Morila Gold Mine" (5<sup>th</sup> May 2021) for further information.

*“This is a fantastic outcome for Firefinch which speaks to the outstanding growth potential inherent in our assets, the exceptional work our team has done ramping up gold production to date and in completing an updated DFS for Goulamina. We now have a huge opportunity in front of us.*

*“2021 has been a transformational year for the Company and this funding provides a tremendous foundation for further growth as we enter 2022. We are now well funded to deliver on our strategic vision of becoming a West African gold producer of scale, as well as developing the next major lithium project to enter production, ahead of our Goulamina demerger in the new year. We will continue to work tirelessly to create value for our shareholders on both fronts.”*

## Placement

Under the terms of the Placement, the Company will issue approximately 149.3 million New Shares at A\$0.67 per New Share. The issue price represents a 11.3% discount to the last closing price on 8 December 2021 and an 8.0% discount to the prevailing 10-day VWAP.

Settlement of the Placement is scheduled to occur on 17 December 2021 with the New Shares expected to be allotted and commence trading on 20 December 2021. The New Shares will rank equally with existing shares.

## Use of Proceeds

Firefinch is pursuing a two-prong growth strategy involving:

1. **Rapidly increasing gold production at the world-class Morila Project** to more than 100,000 ounces of gold in 2022 and ultimately over 200,000 ounces of gold in 2024<sup>3</sup>.
2. **Fast-tracking development of Goulamina, recently confirmed as being amongst the world's largest lithium development projects**, and realising the inherent value of the project through the proposed demerger of Goulamina into a separate ASX-listed company.

Proceeds from the Placement will be applied to deliver on this strategy. Specifically, funds will be applied towards:

1. **Morila Capital Expenditure (\$43 million)** including SAG mill refurbishment, plant improvement, infrastructure upgrades, mobile equipment, critical spares and TSF lift and capacity expansion.
2. **Morila Resource Definition and Regional Exploration (\$14 million)** including targeted exploration to follow up high-grade intersections in drilling outside the pit design, as well as geophysics on existing targets.
3. **Goulamina Exploration and Project Expenditure (\$9 million)** including exploration and project expenditure at Goulamina and transaction costs related to the Goulamina joint-venture and proposed demerger.
4. **Indicative Participation in the proposed Leo Lithium Entitlement Offer (\$10 million)** to maintain Firefinch's pro-rata interest in Leo Lithium following the planned demerger.
5. **General Working Capital and Offer Costs (\$24 million)**

In contemplating the options for securing the necessary funding to support the Company's ongoing activities, the Board ultimately considered an equity placement the most prudent approach. The reasons for this decision are as follows. Firstly, it offers certainty. This is preferable to the conditionality generally associated with a debt facility. Secondly, the Company's share price has rallied strongly since earlier in the year when a US\$50m debt facility was first contemplated, meaning that a

<sup>3</sup> Refer ASX announcement “New Life of Mine Plan for the Morila Gold Mine” (5<sup>th</sup> May 2021) for further information.

comparable equity solution can now be achieved with relatively modest dilution. Finally, in contrast to longer timelines associated with debt draw downs, the immediate provision of equity funds, allows for momentum in expansion activities to be maintained ahead of first production from the Morila Super Pit in Q2 2022, as well as exploration activities at Goulamina ahead of the planned demerger of Leo Lithium Limited in March/April 2022.

Canaccord Genuity (Australia) Limited acted as Global Coordinator, Joint Lead Manager and Joint Bookrunner to the Placement. Jett Capital Advisors LLC acted as Joint Lead Manager and Joint Bookrunner to the Placement. Euroz Hartleys Limited and Petra Capital Pty Ltd acted as Co-managers. Gilbert + Tobin acted as Australian legal counsel to Firefinch in relation to the Placement.

This announcement has been approved for release to the ASX by the Board.

#### For Enquiries

Dr Michael Anderson  
Managing Director  
Firefinch Limited  
info@firefinchlimited.com  
+61 8 6149 6100

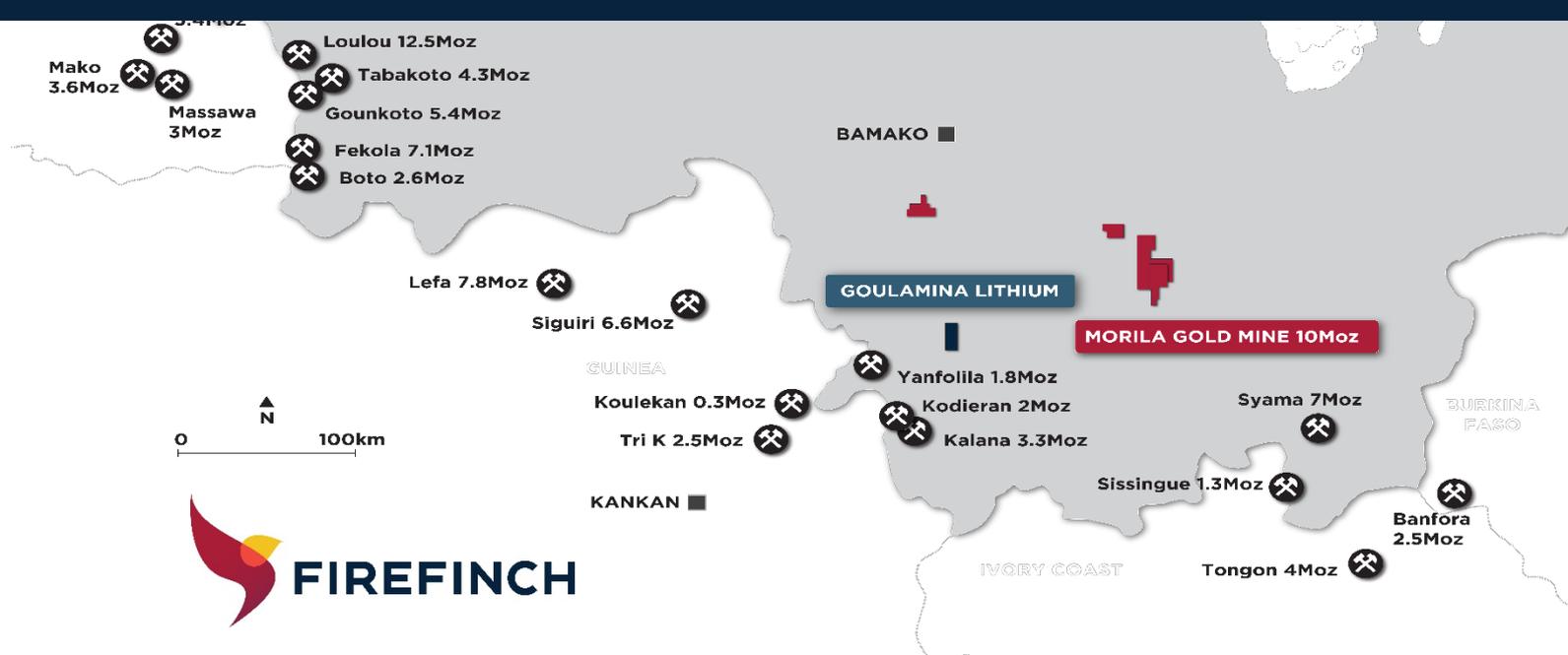
Dannika Warburton  
Principal  
Investability Partners  
dannika@investability.com.au  
+61 401 094 261

#### **Not for release to US wire services or distribution in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

#### **Forward looking statements**

This document contains forward-looking statements. These forward-looking statements are based on FFX's current expectations and beliefs concerning future events at the date of this document and should not be relied upon as an indication or guarantee of future performance. FFX believes it has reasonable grounds for making the forward-looking statements. However, forward-looking statements relate to future events and expectations and as such are subject to known and unknown risks, and significant uncertainties and other factors, many of which are outside the control of FFX. Actual results may differ materially from future results expressed or implied by such forward-looking statements. None of FFX, its affiliates or their directors, officers, employees, associates, advisers, agents or contractors makes any representation or warranty (either expressed or implied) as to the accuracy or likelihood of fulfilment of any future looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this document reflect views held only as at the date of this document. Other than as required by law, including the ASX Listing Rules, FFX does not undertake or assume any obligation to update or revise any forward-looking statement contained in this document.



Firefinch (ASX: FFX) is a Mali focussed gold miner and lithium developer. Firefinch has an 80% interest in the Morila Gold Mine (Morila) and it currently owns 100% of the Goulamina Lithium Project (Goulamina).

Goulamina is one of the world's largest undeveloped high quality spodumene deposits. In partnership with Ganfeng, Firefinch will bring the project into production. Firefinch and Ganfeng have agreed to establish a 50/50 incorporated joint venture for Goulamina, with Ganfeng contributing US\$130 million in equity funding and arranging up to US\$64 million in debt funding. All permits are in place and the recent Definitive Feasibility Study Update confirmed Goulamina as a long life, large scale and low-cost open pit project expected to produce 726,000 tonnes of spodumene concentrate per annum at an average cash cost of US\$312/t (an increase from the previous DFS which forecast average annual production of 436,000 tonnes at US\$285/t). Goulamina has high grade, low impurity Ore Reserve of 52Mt at 1.51% Li<sub>2</sub>O for 0.79Mt contained Li<sub>2</sub>O comprising 8.1 million tonnes of Proven Ore Reserves at 1.55% Li<sub>2</sub>O and 44.0 million tonnes of Probable Ore Reserves at 1.50% Li<sub>2</sub>O. Goulamina has a Mineral Resource of 109Mt at 1.45% Li<sub>2</sub>O for 1.57Mt contained Li<sub>2</sub>O comprising 8.4 million tonnes at 1.57% Li<sub>2</sub>O in the Measured category, 56.2 million tonnes at 1.48% Li<sub>2</sub>O in the Indicated category and 43.9 million tonnes at 1.45% Li<sub>2</sub>O in the Inferred category. The Company is in the process of demerging Goulamina into a new ASX listed entity, Leo Lithium.

The Morila Gold Mine is one of the world's great open pit gold mines, having produced over 7.5Moz of gold since 2000 at grades that were among the highest in the world, earning it the moniker "Morila the Gorilla". Firefinch acquired Morila for just US\$28.9 million in late 2020 with the strategic intent to rapidly increase production; initially targeting 70-90kozpa of gold from a combination of satellite pits, stocks and tailings, and thereafter growing production to 150-200kozpa of gold by mining the Morila Superpit. Morila's current Global Resource is 2.43 million ounces of gold (Measured: 1.73Mt at 0.5g/t gold for 0.03Moz, Indicated: 26.7Mt at 1.49g/t gold for 1.28Moz and Inferred: 22.1Mt at 1.58g/t gold for 1.12Moz). However, Morila's geological limits have not been tested. Exploration is therefore a major focus at the existing deposits and multiple targets on the 685km<sup>2</sup> of surrounding tenure.

Firefinch is a responsible miner. We support positive social and economic change through contributing to the communities in which we operate. We seek to buy local, employ local and back local socio-economic initiatives, whilst operating in a manner that safeguards the environment and places our team's safety and wellbeing as our first priority.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources at Goulamina and Morila and the production estimates for Goulamina. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimates and production estimates continue to apply and have not materially changed. Please refer to ASX Announcements of 8th July 2020, 20th October 2020 and 6th December 2021 (Goulamina), 8th February 2021 (Morila Resource), 7th September 2020 and 28th April 2021 (Morila Tailings), 24th November 2020, 3rd May 2021, and 10th August 2021 (N'Tiola, Viper, Domba, Koting, Morila Pit 5), and 5th May 2021, 22nd October 2021 and 27th October 2021 (Morila Gold Production, Ore Reserves and Production Targets).